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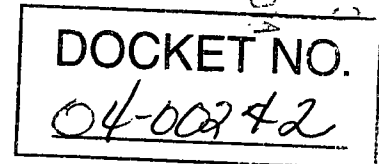
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Monica Borne Haab
EllenAnn G. Sands
Bruce C. Betzer
Philip R. Adams, Jr.

August 6, 2004

VIA OVERNIGHT DELIVERY

Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Pkwy
Nashville, TN 37243



Re Application by Network US, Inc. d/b/a CA Affinity and Motion Telecom, Inc
for Approval of an Asset Purchase Agreement

Dear Sir or Madam

On behalf of Network US, Inc. d/b/a CA Affinity and Motion Telecom, Inc, enclosed please find an original and thirteen (13) copies of the referenced Application.

Please date stamp and return the enclosed extra copy of this letter in the envelope provided.

Please call me should you have any questions concerning this filing. Thank you for your assistance with this matter

Sincerely,

A handwritten signature in cursive script, appearing to read "EllenAnn G. Sands".

EllenAnn G Sands

Enclosures

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF TENNESSEE**

**APPLICATION BY
NETWORK US, INC.
d/b/a CA AFFINITY AND
MOTION TELECOM, INC.
FOR APPROVAL OF AN ASSET
PURCHASE AGREEMENT**

CASE NO. _____

APPLICATION

Network US, Inc. d/b/a CA Affinity ("NUS") and Motion Telecom, Inc ("Motion") (collectively, "Applicants"), pursuant to the applicable Statutes of this State and the Commission's Rules and Regulations currently in effect and/or subsequently enacted, hereby request Commission approval of an Asset Purchase Agreement¹ (the "Agreement") whereby NUS will purchase substantially all of the telecommunications assets of Motion, including but not limited to Motion's customer accounts (the "Acquisition").

The customers of Motion will be given the opportunity to switch their service from NUS to a different carrier.² Those customers who choose not to switch to a different carrier will continue to receive long distance service from NUS under the Certificate of Public Convenience and Necessity, or other operating authority, previously issued to NUS in this State. Commission approval of the Agreement and the Acquisition will be beneficial to the involved companies as well as Motion's customers. Approval of the Acquisition will not in any way be detrimental to the public interests of this State. On the

¹ A copy of the Agreement is attached hereto as Exhibit "A".

² The customer notification informing Motion's customers of the transaction is attached hereto as Exhibit "B"

contrary, the customers of Motion will continue to receive the same high quality service previously rendered to them. Additionally, no party to the Agreement will be given undue Motion over any other party.

In support of this Application, Applicants shows the following

THE PARTIES

1. NUS is a privately held Nevada liability company with principal offices located at 1842 Centre Point Drive, Suite 128, Naperville, Illinois, 60563. NUS is requesting Commission approval of the Acquisition. NUS is a certificated carrier in this State.³

2. Motion is a privately held Colorado corporation with principal offices located at 7101 S. Fulton Street, Suite 200, Englewood, Colorado, 80112. Motion is authorized to provide resold interexchange services throughout the United States. Motion is a certificated carrier in this State.⁴

II. DESIGNATED CONTACT

3. The designated contact for questions concerning this Application is:

EllenAnn G. Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone (504) 832-1984
Telefax (504) 293-8204
Email esands@nbglaw.com

³ NUS currently provides telecommunications services in this State pursuant to authority granted in Docket No. 01-00784, September 25, 2001.

⁴ Motion currently provides telecommunications services in this State pursuant to authority granted in Docket 03-00437.

4. Copies of such correspondence should also be sent to

Barbara H. Vonderheid
Vonderheid & Associates
8101 E Dartmouth Ave , #95
Denver, Colorado, 80231
Telephone: (303) 784-5329
Telefax: (303) 784-5329
Email: bvonderheid@awipcs.com

III. REQUEST FOR APPROVAL OF THE ACQUISITION

- 5 Applicants submit that the Acquisition will accomplish the following
- a. Motion will sell, transfer and assign to NUS all of Motion's right, title and interest in and to Motion's assets, as defined in the Agreement
 - b. In consideration for the above transfer and sale of assets, NUS will pay to Motion the purchase price set forth in the Agreement
6. NUS is well-qualified to consummate the transactions which are the subject of this Application.⁵
7. The customers of Motion have been given the opportunity to switch their service from Motion to a different carrier. Those customers of Motion who choose not to switch their service to a different carrier are continuing to receive service pursuant to authority previously granted to Motion by this State until such time as this Commission grants the instant application at which time the customers will be serviced under NUS's authority.
- 8 The technical, managerial and financial personnel of Motion will assist with the transition and integration of the acquired Assets after the transaction, and the

⁵ Exhibit "C" attached hereto consists of NUS's financial statements for the year 2003

technical, managerial and financial personnel of NUS will continue to serve the transferred Motion customers with the same high level of expertise ⁶

IV. PUBLIC INTEREST CONSIDERATIONS

9. Critical to the Acquisition is the need to ensure the continuation of high quality, uninterrupted service to all customers currently served by Motion. The Acquisition will also serve to create a heightened level of operating efficiency which generally will serve to enhance the overall capacity of NUS to compete in the marketplace and to provide telecommunications services for a greater number of consumers in this State at competitive rates

V. EXPEDITED REVIEW

10 Applicants request expedited review and disposition of the instant Application

VI. CONCLUSION

11 WHEREFORE, for the reasons stated herein, Applicants respectfully request that the Commission, on an expedited basis, grant the following

- a approve the Agreement,
- b. authorize Applicants to consummate the Acquisition, including but not limited to the transfer of Motion's customer accounts to NUS, and

⁶ Managerial profiles of NUS's management team are attached as Exhibit "D"

- c. cancel Motion's Certificate of Public Convenience and Necessity, or
other operating authority, previously issued by this State

DATED this 6th day of August, 2004.

Respectfully submitted,



EllenAnn G. Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company
3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
(504) 832-1984
Counsel for Network US, Inc d/b/a CA Affinity

Barbara H. Vonderheid
Vonderheid & Associates
8101 E. Dartmouth Ave , #95
Denver, Colorado, 80231
(303) 784-5329
Counsel for Motion Telecom, Inc

STATE OF LOUISIANA

COUNTY OF ORIBANS

VERIFICATION

I, Bernard A Goldman, am the Executive Vice President/Assistant Secretary of Network US, Inc d/b/a CA Affinity and am authorized to make this verification on its behalf The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true

By Bernard A Goldman
Name: Bernard A. Goldman
Title: Executive Vice President/Assistant Secretary

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 24th day of July, 2004

Ellen Ann G. Sands
Notary Public


My commission expires: at death

ELLEN ANN G. SANDS
Notary Public, State of Louisiana
My Commission is issued for life.
Notary Number: 45206

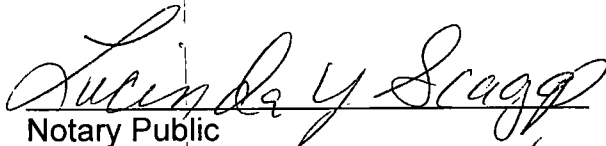
STATE OF COLORADO
COUNTY OF ARAPAHOE

VERIFICATION

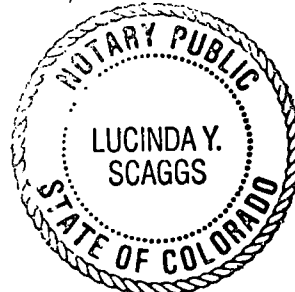
I, Mark Gritz, am the President and Treasurer of Motion Telecom, Inc and am authorized to make this verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By 
Name Mark Gritz
Title President and Treasurer

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 4th day of August, 2004


Notary Public

My commission expires 2/5/07



My Comm Expires _____

EXHIBIT A
AGREEMENT

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement"), dated as of July ____, 2004, is made by and between Network US, Inc., an Illinois corporation with its principal offices located at 180 N. LaSalle Street, Suite 1820, Chicago, Illinois, 60601 ("Purchaser"), and Motion Telecom, Inc., a Colorado corporation with principal offices located at 7101 S. Fulton St., Suite 200, Centennial, Colorado, 80112 ("Seller")

RECITALS

WHEREAS, Seller is engaged in the business of, among other things, the sale and provision of resold long distance telecommunications services (the "Purchased Business"); and

WHEREAS, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, all of Seller's right, title and interest in and to certain of the tangible and intangible assets of Seller relating to or used in connection with the Purchased Business, together with the goodwill associated with such assets, all as more fully described below, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows.

ARTICLE I PURCHASE AND SALE OF ASSETS

1.01 Sale and Purchase of Assets. Subject to, and upon the terms and conditions contained herein, at the Pre-Closing (as hereinafter defined) Seller shall sell, transfer, assign, convey and deliver to Purchaser, and Purchaser shall purchase, accept and acquire from Seller, all of Seller's right, title and interest in and to certain of the tangible and intangible assets of Seller relating to or used in connection with the Purchased Business (collectively, the "Assets"), wherever such assets are located, and whether in the possession of Seller, any of its suppliers or any of its distributors or sales agents, together with the business as a going concern associated with such Purchased Business, in each case free and clear of all Encumbrances (as hereinafter defined) other than the Permitted Liens (as hereinafter defined). The Assets include:

(a) Customer Accounts. All of Seller's long distance customer accounts relating to the Purchased Business and listed in Schedule 1.01(a) hereto (the "Customer Accounts"), including all customer lists, books, records, files, data, computer data records, billing files and similar items related to same;

(b) Customer Contracts. All of Seller's rights under any agreements, application forms, term contracts, letters of agency and all other contractual instruments related to the Customer Accounts (collectively, the "Customer

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Contracts"), including but not limited to Seller's right to assert claims and take other rightful actions in respect of breaches, defaults and other violations of such Customer Contracts arising after the Pre-Closing Date as defined hereinbelow and not including claims arising prior to the Pre-Closing Date;

(c) Assumed Contracts. All of Seller's right, title and interest in and to the contracts to be assumed by Purchaser (the "Assumed Contracts") which are listed on Schedule 1.01(c),

(d) Prepaid Expenses. All prepaid expenses, deferred expenses and security deposits;

(e) Intellectual Property. All intellectual property rights of Seller used in connection with the Purchased Business, including all service marks, brand names, logos, insignias, designs and copyrights of Seller used in connection with the Purchased Business and all registrations, applications, licenses and other rights with respect to such intellectual property, including all causes of action heretofore accrued or hereafter accruing with respect thereto;

(f) Toll-free Numbers and PIN Numbers. Any toll-free telephone numbers or Personal Identification Numbers (PINs) used in the Purchased Business,

(g) Books and Records. All financial, commercial, marketing and administrative books and records of the Purchased Business in any form or medium, including, without limitation, computer databases, correspondence files, administrative guidelines, marketing surveys, customer and supplier lists, sales and promotional literature, mailing lists, quality control records and procedures, research and development files and other records used in connection with or relating to the Purchased Business as heretofore or presently conducted, together with copies of all personnel records related to the Employees (as hereinafter defined) and all accounting records used in connection with or relating to the Purchased Business as heretofore or presently being conducted;

(h) Computers and Software. All electronic databases and other data processing and storage materials (regardless of format or medium) of Seller and used in connection with the Purchased Business;

(i) Intangible Assets and Goodwill. All intangible assets, including the goodwill of the Purchased Business as a going concern

1.02 Assumed Liabilities. Purchaser hereby agrees to assume, as of the Pre-Closing Date (as hereafter defined) and perform when due, the following liabilities and obligations of Seller (collectively, the "Assumed Liabilities"):

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(a) all liabilities and obligations of Seller arising under the Assumed Contracts, provided, however, that in no event shall Purchaser assume any liability under the Assumed Contracts arising out of any breach or default thereunder by Seller prior to the Pre-Closing Date (including, without limitation, any event occurring prior to the Pre-Closing Date, that, with the passage of time or the giving of notice, or both, would become a breach or default) under any Assumed Contract;

(b) all liabilities and obligations of Seller to provide services to the Customer Accounts and under the Customer Contracts; provided, however, that in no event shall Purchaser assume any liability under the Customer Accounts or Customer Contracts arising out of any breach or default thereunder by Seller prior to the Pre-Closing Date (including, without limitation, any event occurring prior to the Pre-Closing Date, that, with the passage of time or the giving of notice, or both, would become a breach or default) under any Customer Account or Customer Contract, and

(c) all vacation pay and sick pay of the Accepting Employees (as hereinafter defined) that is accrued but unused or otherwise arising on the termination date of each Accepting Employee.

1.03 Excluded Liabilities. Except as expressly provided in Section 1.03 above, Purchaser shall not assume any liabilities or obligations of (or claimed through) Seller arising prior to the Pre-Closing Date, whether relating to the Assets, the Purchased Business or otherwise, it being expressly acknowledged and agreed by the parties that all such liabilities and obligations, and any claims or disputes relating thereto, whether known or unknown, asserted or unasserted (collectively, the "Excluded Liabilities"), are and shall remain the liabilities and obligations of Seller for all purposes. The Excluded Liabilities shall include, without limitation, any and all debts, liabilities, obligations, contracts, commitments, claims, disputes, actions, lawsuits, judgments, assessments, fines, penalties, levies, surcharges, losses, deficiencies and damages arising prior to the Pre-Closing Date and out of or related to:

(a) contracts, arrangements or understandings between Seller and any of its existing and former stockholders, directors, officers and any other Related Parties (as hereinafter defined),

(b) any Employees or Former Employees (as those terms are hereinafter defined) of Seller (whether or not such Employees become Accepting Employees or any of their beneficiaries, heirs or assignees of any kind or nature whatsoever, including, without limitation, accrued wages or vacation pay, obligations arising under any severance, stock option, retirement, pension, health (including, without limitation, retiree health obligations) or other benefit plans (including 401(k) matching benefits, any funding deficiency arising with respect to any such plan), or any of their beneficiaries, heirs or assignees, except to the extent that such

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obligation or liability arises solely out of Purchaser's employment of the Accepting Employees after the Pre-Closing Date, including, without limitation, arising from Purchaser's benefit plans, except as set forth in Section 1.03(c) hereof;

(c) Taxes of Seller or any Related Parties (as such term is defined in Section 3.21), including, without limitation, all Taxes imposed on Seller by reason of the sale of the Assets and the Purchased Business to Purchaser hereunder or by reason of any subsequent liquidation, dissolution or winding up of Seller;

(d) all legal, accounting and other professional fees incurred by Seller in connection with the negotiation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby;

(e) all contracts, agreements and arrangements of Seller which are not listed on Schedule 1.01(c) hereto (the "Excluded Contracts"), and

all pending or threatened litigation and any other liabilities or obligations of (or claimed through) Seller, arising before the Pre-Closing Date (including, without limitation, the claims listed on Schedule 1.04(f) hereto)

ARTICLE II **CONSIDERATION; TITLE; PRE-CLOSING; CLOSING**

2.01 Purchase Price. Subject to the terms and conditions of this Agreement the purchase price (the "Purchase Price") payable for the Assets shall be payable in accordance with Section 2.02 hereof.

2.02 Payments.

- (a) On July 30, 2004, Purchaser shall pay to Seller, by wire transfer to Seller's bank account (the "Bank Account"), the amount of subject to the prior release by all holders of liens and perfected security interests in the Assets.
- (b) The remaining (the "Escrowed Funds") shall be placed in escrow with a mutually acceptable escrow agent (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") in substantially the form attached hereto and made a part hereof as Exhibit 2.02(b).

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- (c) On or before October 1, 2004, Purchaser shall direct the Escrow Agent to pay Seller, by wire transfer to the Bank Account, the remaining portion of the Purchase Price not previously delivered to Seller (as adjusted in accordance with the provisions set forth in subparagraphs 2.02(d) and (e) below).
- (d) If the Net Revenue (as such term is hereafter defined) of the Purchased Business for the month of August, 2004 from voice services is more than ten percent (10%) less than the Net Revenue of the Purchased Business for the month of May, 2004 from voice services, then the Purchase Price shall be reduced on a pro rata basis up to a maximum of the Escrowed Funds. For purposes of this subparagraph, the term "Net Revenue" shall mean billed revenue minus all taxes, regulatory assessments, pass-through charges, USF, PICC, Federal, State and Local taxes/surcharges, LNP, SLC, 911 charges, finance charges and other similar or related amounts billed to end user customers relating to charges for May, 2004.
- (e) In the event Purchaser is entitled to indemnification pursuant to the terms of Section 9.01 below, then, in addition to the Guarantee (as defined in Section 9.01(b), Purchaser shall be entitled to offset amounts due from the Escrowed Funds as set forth in the Escrow Agreement and as described in Section 9.05 below.
- (f) Purchaser shall additionally pay Seller a commission of fifteen percent (15%) of Net Revenue on all data Customer Accounts ("Data Customer Accounts") as listed on Schedule 2.02(f) of this Agreement for as long as such Data Customer Accounts generate revenue. In the event that the Data Customer Accounts add new data lines other than those listed on Schedule 2.02(f), Purchaser and Seller shall agree on a commission to Seller which is substantially equivalent to that being paid on the Data Customer Accounts, giving effect to the actual gross profit margin to Purchaser on such additional data lines.

2.03 Allocation. The Purchase Price, plus any relevant liabilities or other consideration deemed paid hereunder, shall be allocated among the Assets by Purchaser in accordance with applicable U.S. Federal and other income tax laws. Purchaser shall deliver a preliminary allocation to Seller within 30 days after the date hereof, which allocation shall be subject to Seller's approval, which approval shall not be unreasonably withheld. The parties agree to allocate the Purchase Price among the Assets as determined in accordance with this Section 2.03 and to report the sale and purchase of the Assets for all Federal, state and local Tax purposes (including, without limitation, in filings on Internal Revenue Service Form 8594) in a manner consistent with such allocation in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the

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"Code").

2.04 Pre-Closing; Management; Closing. The preliminary closing of the transactions contemplated hereby (the "Pre-Closing") shall occur on July 30, 2004 (the "Pre-Closing Date"), or at such other time as shall be mutually agreed to in writing by the parties hereto. The Pre-Closing shall commence at 10 00 a.m., local time, on the Pre-Closing Date and proceed promptly to conclusion. Notwithstanding the foregoing, the consummation of the transactions contemplated herein (the "Closing") shall not be completed until such time as all necessary regulatory and other consents and approvals have been obtained, including but limited to any approvals required by the Federal Communications Commission and all applicable state public service and public utility commissions (collectively, the "Regulatory Consents"). The date on which the actual Closing occurs (the "Closing Date") shall be no later than fifteen (15) days after the Regulatory Consents have been obtained, and title to the Assets and the Purchased Business shall not pass from Seller to Purchaser until that time, provided, however, in no event shall the Closing take place later than December 31, 2004, whether or not the Regulatory Consents have been obtained. Commencing on the Pre-Closing Date and continuing through and including the Closing Date, Purchaser shall manage the Assets and the Purchased Business pursuant to a management agreement (the "Management Agreement") in substantially the form attached hereto and incorporated herein as Exhibit 2 04.

2.05 Deliveries.

(a) Deliveries by Seller Seller shall deliver to Purchaser at the Pre-Closing the following:

- (i) a fully executed Bill of Sale and Assumption Agreement in the form attached hereto as Exhibit 2.05(a)(i),
- (ii) a certificate, dated as of the Pre-Closing Date and executed by an appropriate officer of Seller, to the effect that (A) each of the representations and warranties of Seller made herein is true and correct in all material respects on the Pre-Closing Date as though such representations and warranties were made on such date, (B) Seller have performed and complied in all material respects with all covenants and obligations under this Agreement which are required to be performed or complied with by such party on or prior to the Pre-Closing Date,
- (iii) a fully executed non-competition agreement of Seller in the form attached as Exhibit 2 05(a)(iii) (the "Non-competition Agreement"),
- (iv) unless waived by Purchaser, the third party consents specified in Schedule 2 05(a)(iv) hereto with respect to the Assumed Contracts, in form and substance reasonably satisfactory to Purchaser;

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(v) an executed written opinion of counsel for Seller, addressed to Purchaser dated as of the Pre-Closing Date in the form attached hereto as Exhibit 2 05(a)(v);

(vi) copies, certified as of the Pre-Closing Date by a proper officer of Seller, of the resolutions of the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement and the documents to be executed by Seller hereunder referred to in this Section 2 05(a) by Seller,

(vii) possession of the Assets, wherever located,

(viii) a fully executed Management Agreement in the form attached hereto as Exhibit 2 05(a)(viii) (the "Management Agreement");

(ix) a fully executed Escrow Agreement; and

(x) the Guarantee fully executed by Advantage

(b) Deliveries by Purchaser Purchaser shall deliver to Seller at the Pre-Closing the following:

(i) payment of the Pre-Closing Payment,

(ii) a certificate, dated as of the Pre-Closing Date and executed by an appropriate officer of Purchaser, to the effect that (A) each of the representations and warranties of Purchaser made herein is true and correct in all material respects on the Pre-Closing Date as though such representations and warranties were made on such date, (B) Purchaser has performed and complied in all material respects with all covenants and obligations under this Agreement which are required to be performed or complied with by such party on or prior to the Pre-Closing Date;

(iii) a copy, certified by a proper officer of Purchaser, of the resolutions of the Board of Directors of Purchaser authorizing the execution, delivery and performance of this Agreement and the documents to be executed by Purchaser hereunder,

(iv) an executed written opinion of counsel for Purchaser, addressed to Seller dated as of the Pre-Closing Date in the form attached hereto as Exhibit 2 05(b)(iv);

(v) counterparts of each of the documents and agreements that are to be executed by Purchaser hereunder, duly executed by Purchaser,

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including but not limited to the Non-Competition Agreement, Escrow Agreement and Management Agreement

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby jointly and severally represent and warrant to Purchaser that.

3.01 Organization and Good Standing. Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Colorado. Seller is duly qualified and licensed to do business and is in good standing in each jurisdiction where the nature of its business makes such qualification necessary, which jurisdictions are listed on Schedule 3.01 hereto, except where the failure to be qualified or licensed would not have a material adverse effect on the assets, business, liabilities, financial condition, results of operation or prospects of Seller (a "Material Adverse Effect").

3.02 Authorization and Validity. Seller has all requisite corporate and other power and authority to execute, deliver and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement and the other documents executed by Seller hereunder (the "Ancillary Agreements") by Seller, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action by Seller, and no other corporate action on the part of any Seller is necessary to authorize the execution and delivery of this Agreement or the Ancillary Agreements or the performance of this Agreement or the Ancillary Agreements by any Seller and the consummation of the transactions contemplated hereby and thereby. This Agreement and each Ancillary Agreement has been duly executed and delivered on behalf of Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except that the enforceability of this Agreement and the Ancillary Agreements is subject to bankruptcy, insolvency, reorganization and similar laws of general applicability relating to or affecting creditors' rights and limitations on the availability of the remedy of specific performance and other equitable relief.

3.03 Consents and Approvals; No Violations. To Seller's knowledge, the execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereby and thereby, will not: (i) violate or conflict with any provision of the Certificate of Incorporation or By-Laws of Seller, (ii) violate or conflict with, result in the breach of, constitute an event of default (or an event which, with the lapse of time, or the giving of notice, or both, would constitute an event of default) under, or result in the creation in any party of any right to accelerate, modify, cancel or terminate, any contract or other instrument, to which Seller is a party or by which Seller or any of the Assets is bound, or result in the creation of any Encumbrance or other right of any third party upon any of the Assets; (iii) violate or conflict with any law, rule, regulation, ordinance, code, judgment, order, writ, injunction or decree

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of any court or any governmental body or agency thereof of any jurisdiction to which Seller or any of the Assets may be subject, or (iv) require any registration, declaration or filing with, or permit, license, exemption, order, franchise, approval, consent or other authorization of, or the giving of notice to, any governmental or regulatory body, agency or authority in the United States or any other jurisdiction in which the Purchased Business is conducted, except as listed on Schedule 3.03 hereto.

3.04 Absence of Undisclosed Liabilities. Except as disclosed in Schedule 3.04 hereto, and except (i) for liabilities and obligations incurred pursuant to the Assumed Contracts, or (ii) for liabilities and obligations incurred in the ordinary course of business from the Pre-Closing Date, to Seller's knowledge, Seller has no liabilities or obligations of any nature, whether absolute or contingent, accrued or unaccrued related to the Assets or the Purchased Business and for which Purchaser shall be liable after the Pre-Closing

3.05 No Claims or Litigation. Except as disclosed in Schedule 3.05 hereto, to Seller's knowledge, there are no suits, actions, claims, proceedings (including, without limitation, arbitral and administrative proceedings) or governmental investigations pending or, to the knowledge of Seller, threatened against or contemplated against Seller (or any of its affiliates, including directors, officers, employees or agents) relating to or affecting, directly or indirectly, the Assets or the Purchased Business, which, if successful, would have a material adverse impact on the Assets or the Purchased Business. There are no such suits, actions, proceedings, claims or investigations pending or, to the knowledge of Seller, threatened challenging the validity or propriety of, or otherwise involving, this Agreement or the transactions contemplated hereby. Except as disclosed in Schedule 3.05 hereto, there is no judgment, order, injunction, decree or award issued by any court, arbitrator, governmental body or agency thereof to which Seller is a party and which would materially affect the Assets or the Purchased Business or by which any of the Assets are bound, which is unsatisfied or which requires continuing compliance therewith by Seller

3.06 Taxes. All material Tax returns and reports relating to the Assets and the Purchased Business required to be filed by Seller on or before the date hereof have been duly and timely filed and all such returns and reports are complete and correct in all material respects. All material Taxes, assessments, fees and other governmental charges imposed on or with respect to the Assets which have become due and payable through and including the date hereof have been paid in a due and timely manner or have been accrued for in the books and records of Seller. Seller have paid or will pay when due any and all Taxes, assessments, fees and other governmental charges arising with respect to periods through the Pre-Closing Date which are imposed on or with respect to the Assets and the Purchased Business. As of the date hereof, to Seller's knowledge, (i) Seller has not agreed to the extension of limitation period for any Tax, (ii) there is no Tax audit pending against Seller, (iii) there are no Tax liens on any of the Assets (other than any lien for current Taxes not yet due and payable), and (iv) to the knowledge of Seller, there is no basis for the assertion of any such Tax liens

3.07 Title to Assets and Related Matters. Except as set forth in Schedule

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3.07 hereto, Seller has good and marketable title to the Assets, free and clear of any and all mortgages, pledges, security interests, liens, charges, equities, claims, conditional sales contracts, restrictions, reservations, options, rights and other encumbrances of any nature whatsoever (collectively, "Encumbrances"), except for Permitted Liens. For purposes of this Agreement, "Permitted Liens" shall mean (i) statutory liens for Taxes not yet delinquent provided such liens are discharged through the timely filing of Tax returns, (ii) Encumbrances disclosed in Schedule 3.07(a) and (iii) other liens of an immaterial nature or amount which do not impair or interfere with the use of any property or assets of Seller (including the Assets) in any material respect. As of the Pre-Closing Date, Seller shall convey to Purchaser, and Purchaser shall acquire, good and marketable title to the Assets, free and clear of any Encumbrances, except for Permitted Liens.

3.08 Contracts. (a) Except as set forth in Schedule 3.08(a) or Schedule 3.08(b) hereto or other schedules to this Agreement, to Seller's knowledge, Seller is not a party to, or subject to:

- (i) any written contract, arrangement or understanding, or series of related written contracts, arrangements or understandings, that is related to the Purchased Business and involves annual expenditures or receipts of more than \$50,000,
- (ii) any license agreement currently in effect which grants rights with respect to any of the Assets that is material to the Purchased Business;
- (iii) any written contract, arrangement or understanding currently in effect not made in the ordinary course of business that is material to the Purchased Business;
- (iv) any note, bond, indenture, credit facility, mortgage, pledge, security agreement or other contract, arrangement or understanding relating to or evidencing indebtedness for money borrowed, or a security interest, pledge or mortgage in the Assets,
- (v) any express warranty, indemnity or guaranty issued by Seller that is material to the Purchased Business;
- (vi) any written contract, arrangement or understanding granting to any person the right to use any of the Assets that is material to the Purchased Business,
- (vii) other than those license agreements set forth on Schedule 3.10(a) pursuant to clause (iii) above, any written contract, arrangement or understanding restricting any Seller's right to engage in any business activity or compete with any business that is material to the Purchased Business,]

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(viii) any written contract, arrangement or understanding with a Related Party that is material to the Purchased Business, [

(ix) any other agreement that is material to the Purchased Business, including, but not limited to, joint venture agreements, purchase and sale agreements and collective bargaining, union, consulting and employment contracts; and

(x) any outstanding commitment or obligation to enter into any contract or arrangement of the nature described in subsections (i) through (ix) of this subsection 3.08(a).

Seller has previously delivered or made available to Purchaser copies (or, in the case of oral contracts, a general description) of each contract, agreement, arrangement and understanding (and any amendments or supplements thereto) listed on Schedule 3.08(a) hereto (the "Material Contracts"). Except for the Customer Accounts and the obligations of Seller to provide long distance telecommunications services to them, Seller is not a party or subject to any oral contract, arrangement or understanding, or series of related oral contracts, arrangements or understandings, that is material to the Purchased Business

(b) Schedule 3.08(b) hereto lists those Material Contracts which are to be assumed by Purchaser at the Pre-Closing pursuant to this Agreement (the "Assumed Contracts") Except as set forth in Schedule 3.08(b) hereto, to the knowledge of Seller, (i) each Assumed Contract is in full force and effect, (ii) neither any Seller nor any other party is in material default under any such contract, and no event has occurred which constitutes, or with the lapse of time or the giving of notice or both would constitute, a default by any Seller or (to the knowledge of Seller) a default by any other party under such contract, other than those defaults that would not have, individually or in the aggregate, a Material Adverse Effect; (iii), there are no disputes or disagreements between any Seller and any other party with respect to any such contract, and (iv) Seller is not currently renegotiating any of its contracts, nor is Seller paying liquidated damages in lieu of performing any of its contracts

3.09 Employees; Employee Benefits. (a) Schedule 3.09(a) hereto sets forth the names of all current employees of Seller employed in the Purchased Business and who Purchaser proposes to employ upon Pre-Closing (the "Employees"), including each Employee's job title, current salary and bonus potential, date of birth and date of employment. Except as set forth on Schedule 3.09(a), there are no outstanding loans from Seller to any such Employee. Except as set forth in Schedule 3.09(a) hereto, there are no oral or written employment agreements between Seller and any Employee, and all written and, to the knowledge of Seller, oral employment policies, and all amendments and supplements thereto, have previously been delivered to Purchaser and are listed on Schedule 3.09(a). Except as set forth on Schedule 3.09(a), since July 1, 2004, Seller has not, except in the ordinary course of business and consistent with past practice, increased

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the salary or other compensation payable or to become payable to or for the benefit of any of the Employees.

(b) With respect to the Employees, except as disclosed on Schedule 3.09(b), to Seller's knowledge, Seller has complied in all material respects with all applicable laws, statutes and regulations with respect to employees, including, without limitation, those governing payment of minimum wages and overtime rates, labor standards, working conditions, the withholding and payment of Taxes from compensation, terms and conditions of employment, immigration, workplace safety, workers' compensation, disability pay, discriminatory practices, including, without limitation, with respect to employment and discharge, or otherwise relating to the conduct of employers with respect to employees or potential employees (collectively, the "Employee Laws"), and there have been no claims made or, to the knowledge of Seller, threatened thereunder against Seller. Seller will transfer to Purchaser at the Pre-Closing, the employee records and I-9 forms with respect to the Accepting Employees in proper order as required by law. Except as set forth on Schedule 3.09(b), to the knowledge of Seller, there are no disputes or other proceedings pending or, to the knowledge of Seller, threatened between Seller and any of the Employees, to the knowledge of Seller, no labor union or other collective bargaining unit represents or has ever represented any of the Employees in connection with their employment with Seller; Seller has no knowledge of any organizational effort by any labor union or other collective bargaining unit currently under way or threatened with respect to any Employees, to Seller's knowledge, no consent of any labor union or other collective bargaining unit representing Employees is required to consummate the transactions contemplated by this Agreement.

3.10 Major Customers. Schedule 3.10 hereto sets forth a complete and correct list, to Seller's knowledge, of the twenty (20) largest customers of the Purchased Business in terms of revenue recognized (after taking into account any discounts or rebates granted to such customers) showing the total amount billed by Seller to each such customer in connection with the Purchased Business for the month ended May, 2004. Except as set forth and described in Schedule 3.10 hereto, since July 1, 2004, Seller has not received any written notice or other written communication terminating or materially reducing, or setting forth an intention to terminate or materially reduce in the future, or otherwise reflecting a material adverse change in, the business relationship between such customer and Seller.

3.11 Consultants, Sales Representatives and Other Agents. To Seller's knowledge, Schedule 3.11 hereto sets forth a complete and correct list of the names and addresses of each consultant, sales representative or other agents currently engaged by Seller with respect to the Purchased Business and each other distributor used by Seller with respect to the Purchased Business who is not an Employee of Seller and who has received (or is expected to receive) \$50,000 or more from Seller in 2004. Schedule 3.11 hereto also sets forth a list of all written agreements between Seller and any such person, complete and correct copies of which agreements have previously been delivered or made available by Seller to Purchaser.

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3.12 Customer Accounts. To the best of Seller's knowledge, Schedule 1.01(a) hereto sets forth a correct and complete schedule of all Customer Accounts. Except for Permitted Liens, at Pre-Closing, the Customer Accounts will all be free and clear of all Encumbrances.

3.13 Ability to Conduct the Purchased Business. To the knowledge of Seller, there is no agreement, arrangement or understanding with any person, or any judgment, order, writ, injunction or decree of any court or governmental body or agency thereof of any jurisdiction, that restricts Seller's conduct of the Purchased Business as of the date hereof. Except as set forth in Schedule 3.13 hereto, Seller has in force, and is in material compliance with the terms and conditions of, all material licenses, permits, exemptions, consents, authorizations and approvals of governmental authorities or agencies thereof used or required under any existing Federal, state, local or foreign statute, law, ordinance, rule or regulation (or any proposed statute, law, ordinance, rule or regulation known to Seller) in connection with the Purchased Business.

3.14 Compliance with Applicable Law and Regulations. To the knowledge of Seller, except as disclosed in Schedule 3.14 hereto, neither the Assets nor Seller's operation of the Purchased Business as presently conducted are in material violation of any applicable foreign or domestic law, rule, regulation, ordinance, code, judgment, order, injunction, writ or decree of any Federal, state, local or foreign court or governmental body or agency thereof, or trade organization, to which Seller may be subject, including, without limitation, any rules or regulations of the Federal Communications Commission and similar regulatory bodies of any foreign country, state or locality. No claims are currently pending against Seller, and Seller has not received any notice alleging any such violation, nor, to the knowledge of Seller, is there any inquiry, investigation or proceeding relating thereto.

3.15 Accounts Receivable. To the knowledge of Seller, except as set forth on Schedule 3.15 hereto, all accounts receivable of Seller relating to the Purchased Business (i) arose from bona fide sales of goods or services in the ordinary course of business and consistent with past practice, and (ii) are accurately reflected in all material respects in the books and records of the Purchased Business.

3.16 No Transactions. To Seller's knowledge, there are no agreements, arrangements or understandings involving the purchase, sale or other disposition of the Purchased Business, whether through a sale of assets, a sale of the capital stock of Seller, a merger or otherwise, other than this Agreement.

3.17 Finder's Fee. Seller has not incurred any obligation for any finder's, broker's or agent's fee in connection with this Agreement or the transactions contemplated hereby.

3.18 Disclosure. No representation and warranty of Seller contained in this Agreement (including, without limitation, the Schedules hereto), nor any other statement,

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schedule, certificate or other document delivered or to be delivered by Seller to Purchaser pursuant hereto or in connection with the transactions contemplated by this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements made herein or therein, in the light of the circumstances in which they were made, not misleading.

ARTICLE IV **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby makes the following representations and warranties to Seller:

4.01 Organization and Good Standing of Purchaser. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois and has all requisite corporate power and authority to own, lease and operate its property and assets and to carry on its business as presently conducted and as to be conducted as of the Pre-Closing Date. Purchaser is duly qualified and licensed to do business and is in good standing in each jurisdiction where the nature of Purchaser's operation and acquisition of the Purchased Business makes such qualification necessary, which jurisdictions are listed on Schedule 4.01 hereto, except where the failure to be qualified or licensed would not have a Material Adverse Effect on the assets, business, liabilities, financial condition, results of operation or prospects of Purchaser.

4.02 Authority; Binding Effect; Performance. Purchaser has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement, the Note and the Security Agreement. The execution, delivery and performance of this Agreement, the Note and the Security Agreement by Purchaser, and the consummation of the transactions contemplated hereby, have been duly authorized by all necessary corporate action by Purchaser, and no other corporate action on the part of Purchaser is necessary to authorize the execution and delivery of this Agreement, the Note and the Security Agreement or the performance of this Agreement, the Note and the Security Agreement by Purchaser and the consummation of the transactions contemplated hereby. This Agreement, the Note and the Security Agreement have been duly executed and delivered on behalf of Purchaser and constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms. The security interest created by the Security Agreement in the collateral described therein shall be a first priority security interest securing payment of the Note to the extent that such collateral is not already subject to an existing security interest assumed by Purchaser pursuant to Section 1.03 hereof.

4.03 Consents and Approvals; No Violations. The execution, delivery and performance of this Agreement by Purchaser, and the consummation of the transactions contemplated hereby, will not: (i) violate or conflict with any provision of the Certificate of Incorporation or By-Laws of Purchaser; (ii) violate or conflict with, result in the breach of or constitute an event of default (or an event which, with the lapse of time, or the giving of notice, or both, would constitute an event of default) under, or result in the creation in any

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party of the right to accelerate, modify, cancel or terminate, any contract or other instrument to which Purchaser is a party or by which Purchaser or any of its assets is bound, or result in the creation of any Encumbrance or other right of any third party upon any of the assets of Purchaser; (iii) violate or conflict with any law, rule, regulation, ordinance, code, judgment, order, writ, injunction or decree of any court or any governmental body or agency thereof of any jurisdiction to which Purchaser or any of its assets is subject, or (iv) require any registration, declaration or filing with, or permit, license, exemption, order, franchise, approval, consent or other authorization of, or the giving of notice to, any governmental or regulatory body, agency or authority in the United States, except as listed on Scheule 4 03 hereto.

4.04 Ability to Conduct the Purchased Business. To the knowledge of Purchaser, there is no agreement, arrangement or understanding with any person, or any judgment, order, writ, injunction or decree of any court or governmental body or agency thereof of any jurisdiction, that will restrict Purchaser's conduct of the Purchased Business as of the Pre-Closing Date. Except as set forth in Schedule 4.04 hereto, Purchaser has in force, and is in material compliance with the terms and conditions of, all material licenses, permits, exemptions, consents, authorizations and approvals of governmental authorities or agencies thereof used or required under any existing Federal, state, local or foreign statute, law, ordinance, rule or regulation (or any proposed statute, law, ordinance, rule or regulation known to Purchaser) in connection with the Purchased Business.

4.05 Compliance with Applicable Law and Regulations. To the knowledge of Purchaser, except as disclosed in Schedule 4.04 hereto, Purchaser's operation of the Purchased Business as to be conducted will not be in material violation of any applicable foreign or domestic law, rule, regulation, ordinance, code, judgment, order, injunction, writ or decree of any Federal, state, local or foreign court or governmental body or agency thereof, or trade organization, to which Purchaser may be subject, including, without limitation, any rules or regulations of the Federal Communications Commission and similar regulatory bodies of any foreign country, state or locality. No claims are currently pending against Purchaser, and Purchaser has not received any notice alleging any such violation, nor, to the knowledge of Purchaser, is there any inquiry, investigation or proceeding relating thereto

4.06 No Claims or Litigation. There are no suits, actions, proceedings, claims or investigations pending or, to the knowledge of Purchaser, threatened against Purchaser challenging the validity or propriety of, or otherwise involving, this Agreement or the transactions contemplated hereby. There is no judgment, order, injunction, decree or award issued by any court, arbitrator, governmental body or agency thereof to which Purchaser is a party and which would materially affect the transfer or operation of the Assets or the Purchased Business, which is unsatisfied or which requires continuing compliance therewith by Purchaser.

4.07 Finder's Fee. Purchaser has not incurred any obligation for any finder's, broker's or agent's fee in connection with this Agreement or the transactions contemplated

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hereby

4.08 Disclosure. No representation and warranty of Purchaser contained in this Agreement (including, without limitation, the Schedules hereto), nor any other statement, schedule, certificate or other document delivered or to be delivered by Purchaser to Seller pursuant hereto or in connection with the transactions contemplated by this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary in order to make the statements made herein or therein, in the light of the circumstances in which they were made, not misleading.

ARTICLE V

PURCHASER'S COVENANTS AND COVENANTS OF BOTH PARTIES

5.01 Consummation of Agreement. Each of the parties agrees to perform its obligations hereunder and to use its reasonable best efforts to cause the consummation of the transactions contemplated by this Agreement in accordance with, and subject to, the terms and conditions of this Agreement. Purchaser and Seller agree that time is of the essence, and that the Closing shall take place on or before December 31, 2004, whether or not all Regulatory Consents and third party consents have been obtained.

5.02 Confidentiality. Purchaser will, and will use its best efforts to cause its employees and agents to, hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of counsel, by other requirements of law, all Confidential Information (as hereinafter defined). Purchaser will provide notice to Seller and an opportunity to eliminate or modify any such requirement of law before any such disclosure. Purchaser will not disclose the Confidential Information to any person, except as otherwise may reasonably be necessary to carry out the transactions contemplated by this Agreement, including any business or due diligence review by or on behalf of Purchaser. If this Agreement is terminated as provided hereinafter, then Purchaser shall return or cause to be returned promptly to Seller all documents and all copies thereof furnished by Seller and held by Purchaser or its representatives containing such Confidential Information. For the purposes hereof, "Confidential Information" shall mean all information of any kind concerning Seller in connection with the transactions contemplated by this Agreement except information (i) ascertainable or obtained from public or published information; (ii) received from a third party not known by Purchaser to be under an obligation to Seller to keep such information confidential; or (iii) which is or becomes known to the public (other than through a breach of this Agreement); or (iv) which was in Purchaser's possession prior to disclosure thereof to Purchaser in connection herewith.

5.03 Employees. (a) Effective as of the Pre-Closing Date, Purchaser (or an affiliate of Purchaser) shall offer to employ such of the Employees as Purchaser shall determine in its sole discretion and shall employ those Employees who accept Purchaser's offer of employment (the "Accepting Employees") on such terms and conditions of employment as Purchaser (or, if applicable, an affiliate of Purchaser) shall determine in its

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sole discretion. From and after the Pre-Closing Date, all Accepting Employees shall become employees of Purchaser (or an affiliate of Purchaser), under Purchaser's (or an affiliate of Purchaser's) exclusive control and direction. Seller shall permit Purchaser throughout the period prior to the Pre-Closing Date to meet with Employees at such reasonable times as shall be approved by a representative of Seller and to distribute to such Employees such forms and other documents relating to employment by Purchaser after the Pre-Closing Date as Purchaser shall reasonably request. Seller shall use its best efforts to cause any Employee who may be offered employment by Purchaser to accept such offer and to become an employee of Purchaser effective on the Pre-Closing Date.

(a) Purchaser shall not assume or have any obligations or liabilities to any Employee or Former Employee or to any dependent, survivor or beneficiary thereof, arising out of or relating to such person's employment with Seller or any of its affiliates or any predecessor thereto, the termination thereof, the consummation of the transactions contemplated by this Agreement, or the sponsorship by Seller or any affiliate or predecessor thereof of any employee benefit plan, including the Benefit Plans other than vacation pay and sick pay of the Accepting Employees that is accrued but unused or otherwise arising on the date of termination of each Accepting Employee.

(b) Purchaser shall not be required to assume, establish or continue any of the Benefit Plans or employment policies or practices of Seller, or any obligations thereunder, nor shall Purchaser or any of its affiliates become a successor employer with respect to any Benefit Plan, nor shall Purchaser or any of its affiliates be obligated by this Agreement to make any provision with respect to employee benefits, employment policies or practices after the Pre-Closing Date. Seller shall be solely responsible for any compensation, severance or other obligations to Employees (including Accepting Employees) and Former Employees arising under any Benefit Plan or otherwise out of their employment with Seller or termination thereof

5.04 Access After Pre-Closing. (a) Purchaser and Seller agree to retain all accounting (including, without limitation, accountants' work papers), business, financial and Tax records in its possession (i) relating to the Purchased Business in existence on the Pre-Closing Date and either sold to Purchaser hereunder or retained by Seller thereafter, as the case may be, or (ii) coming into existence after the Pre-Closing Date which relate to the Purchased Business for periods prior to the Pre-Closing, in each case for a period of three years from the Pre-Closing Date, provided that, after such date, each party shall make reasonable arrangements for the other party's continued access to such records. In addition, from and after the Pre-Closing Date, Purchaser and Seller agree that, subject to receiving appropriate assurances of confidentiality and restrictions on use, they will not unreasonably withhold access by the other party and its attorneys, accountants and other representatives (after reasonable notice and during normal business hours), to such personnel, books, records and documents relating to the Purchased Business as the other party may reasonably deem necessary to properly prepare for, file, prove, answer, prosecute and/or defend any financial statements, Tax return, filing, audit, judicial or administrative proceeding, protest, claim, suit, inquiry or other proceeding

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(b) The party requesting assistance hereunder shall pay to the party whose assistance is requested the reasonable costs of the party providing such assistance.

5.05 Mail and Communications. (a) Seller shall promptly remit to Purchaser any mail or other communications, including, without limitation, any written inquiries, and payments received by Seller accrued prior to the Pre-Closing Date and related to the Purchased Business or the Assets and any invoices received by Seller relating to the Assumed Liabilities accrued to the Pre-Closing Date and which are received by Seller from and after the Pre-Closing Date

(b) Purchaser shall promptly remit to Seller any mail or other communications related to Seller and any invoices received by Purchaser related to the period prior to the Pre-Closing Date which are received by Purchaser from and after the Pre-Closing Date

5.06 Notice of Developments. Each party will give prompt written notice to the other party of any material adverse development causing a breach of any of its own representations, warranties or covenants hereunder. No disclosure by any party pursuant to this Section 5.06, however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty or breach of covenant. As used herein, "Disclosure Schedule" means the Schedules attached hereto and referred to herein.

5.07 Taxes. From the Pre-Closing Date through the Closing, all Tax returns and reports relating to the Assets and the Purchased Business required to be filed by Purchaser shall be duly and timely filed and all such returns and reports shall be complete and correct in all material respects. All Taxes, assessments, fees and other governmental charges imposed on or with respect to the Assets which arise prior to the Pre-Closing Date shall be paid in a due and timely manner by Seller, even if such items due not become due and payable until after the Pre-Closing Date. All Taxes, assessments, fees and other governmental charges imposed on or with respect to the Assets which arise from the Pre-Closing Date through and including the Closing shall be paid in a due and timely manner or shall be accrued for in the books and records of Purchaser. Purchaser will pay when due any and all Taxes, assessments, fees and other governmental charges arising with respect to periods from the Pre-Closing Date through the Closing which are imposed on or with respect to the Assets and the Purchased Business. Prior to the Closing, Purchaser shall not agree to the extension of limitation period for any Tax, or (ii) permit any Tax liens on any of the Assets (other than any lien for current Taxes not yet due and payable).

5.08 Collections of Accounts Receivable; Lock Box. Notwithstanding anything to the contrary stated herein, Seller shall retain all accounts receivable and pay all accounts payable attributable the Customer Accounts for the period prior to the Pre-Closing Date. For the period commencing on the Pre-Closing Date and thereafter, Purchaser shall collect all accounts receivable for the benefit of Seller for the period prior to the Pre-Closing Date, and remit such amount, less a five percent (5%) fee for collection

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services provided by Purchaser. Purchaser shall use its best efforts to collect the accounts receivable due Seller, and any amounts received by Purchaser for the Customer Accounts shall be applied first to the accounts receivable owed to Seller, and thereafter to Purchaser's accounts receivable for the Customer Accounts. Further, Seller shall retain ownership and control of the lock box account at Wells Fargo Bank as described in Schedule 5.08 hereto (the "Lock Box Account"). At the Pre-Closing, Seller shall execute an irrevocable assignment of the Lock Box Account to Purchaser effective on that date 45 days from the Pre-Closing Date. In the event Seller receives any accounts receivable from the Customer Accounts which belong to Purchaser during the period prior to the transfer of the Lock Box Account, Seller shall remit such funds to Purchaser immediately.

ARTICLE VI **COVENANTS**

6.01 Business Operations. (a) From the date hereof through the Pre-Closing Date Seller shall operate the Purchased Business only in the ordinary course, will not introduce any new method of management or operation and shall use its commercially reasonable efforts to preserve the Purchased Business intact, to retain its present customers and suppliers so that they will be available to Purchaser after the Pre-Closing and to cause consummation of the transactions contemplated by this Agreement in accordance with its terms and conditions. Seller shall not take any action that might materially impair the Purchased Business or Assets without the prior consent of Purchaser. Without limitation of the generality of the foregoing, Seller will not, and Seller will not permit any of its subsidiaries to, engage in any practice, take any action, or enter into any transaction in violation of this Agreement. Seller will keep the Purchased Business and its properties substantially intact, including its present operations, physical facilities, good will, working conditions and relationships with lessors, licensors, suppliers, distributors, customers and Employees.

(b) From the Pre-Closing Date through the Closing, Purchaser shall operate the Purchased Business only in the ordinary course, will not introduce any new method of management or operation and shall use its commercially reasonable efforts to preserve the Purchased Business intact, to retain its present customers and suppliers after the Pre-Closing and to cause consummation of the transactions contemplated by this Agreement in accordance with its terms and conditions. Purchaser shall not take any action that might materially impair the Purchased Business or Assets without the prior consent of Seller. Without limitation of the generality of the foregoing, Purchaser will not, and Seller will not permit any of its affiliates or subsidiaries to, engage in any practice, take any action, or enter into any transaction in violation of this Agreement. Seller will keep the Purchased Business and its properties substantially intact, including its present operations, physical facilities, good will, working conditions and relationships with lessors, licensors, suppliers, distributors, customers and Employees.

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Notwithstanding the foregoing, Seller acknowledges and agrees that Purchaser may, commencing on the Pre-Closing Date, take the following actions. (a) begin the process of billing the Customer Accounts under Purchaser's name (or a tradename selected by Purchaser); (b) utilize Purchaser's billing system to prepare and send Customer Account invoices; (c) transition customer service functions of the Purchased Business to Purchaser's corporate offices; and (d) take any other actions reasonably consistent with Purchaser's stated intention of integrating the Purchased Business into Purchaser's existing business and operations

6.02 Access; Due Diligence. Seller shall permit Purchaser and its authorized representatives reasonable access (with a representative of Seller to arrange) to, and make available for inspection, all of the Assets and Purchased Business,, and furnish Purchaser all documents, records and information with respect to the Assets as Purchaser and its representatives may reasonably request, all for the sole purpose of permitting Purchaser to become familiar with the business and assets and liabilities of Seller.

6.03 Material Change. Prior to the Pre-Closing and the Closing, Seller and Purchaser shall promptly inform the other party in writing of any material adverse change in the condition of the Purchased Business. Notwithstanding the disclosure of any such material adverse change, the parties shall not be relieved of any liability for, nor shall the providing of such information be deemed a waiver of, the breach of any representation or warranty of any party contained in this Agreement.

6.04 Approvals of Third Parties. As soon as practicable after the execution of this Agreement, but in any event prior to the Pre-Closing Date, Seller will use their best efforts to secure all necessary approvals and consents of third parties to the consummation of the transactions contemplated by this Agreement. To the extent that any Seller's rights under any agreement, contract, license, commitment, or any other Asset to be assigned hereunder may not be assigned without the consent of another person which has not been obtained prior to the Pre-Closing, Purchaser and Seller shall use commercially reasonable efforts to obtain any such required consents as promptly as possible after the Pre-Closing. If any such consent has not been obtained or if any attempted assignment would be ineffective or would impair Purchaser's rights under the instrument in question so that Purchaser would not in effect acquire the benefit of all such rights, then Seller, to the maximum extent permitted by law and the instrument, shall act as Purchaser's agent in order to obtain for Purchaser the benefits thereunder and shall cooperate, to the maximum extent permitted by law and the instrument, with Purchaser in any other reasonable arrangement designed to provide such benefits to Purchaser. Seller shall bear all costs and expenses relating to obtaining the third party consents required of Seller and contemplated by this Section 6.04.

6.04 Tax Returns and Payments. Seller shall prepare and file all Federal,

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state, local and foreign returns for all Taxes due or claimed to be due on or before the Pre-Closing Date by any governmental authority with respect to Seller and the Purchased Business or the Assets, and shall promptly pay all such Taxes when due. Seller shall be solely responsible for, and shall make timely payment of, all sales, use, transfer, excise, documentary, real property transfer gains, value added and other similar Taxes payable in connection with this Agreement, the additional agreements referred to in Section 205(a) hereof, or arising from the sale, transfer, assignment, delivery or conveyance of the Assets hereunder or of any assets thereunder. Seller shall prepare and file all necessary tax returns and other filings in connection with the Taxes referred to in this Section 6.05, shall provide all information, documents and affidavits necessary for any such filings, and shall pay all fees and charges incurred in connection therewith. Seller jointly and severally shall indemnify, defend and hold harmless on an after-tax basis Purchaser against and from any and all liability, cost, loss or expense to Purchaser arising out of the imposition of any Taxes referred to in this Section 6.05

6.05 Non-competition Agreement. At or prior to the Pre-Closing, Seller and Seller's principals shall enter into a Non-competition Agreement in the form substantially similar to that set forth in Exhibit 2.05(a)(iv)

6.06 Further Assurances. Seller shall, at any time and from time to time after the Pre-Closing, upon the reasonable request and at the expense of Purchaser but without further consideration, do, execute, acknowledge, deliver and file, or shall cause to be done, executed, acknowledged, delivered and filed, all such further acts, deeds, transfers, conveyances, assignments or assurances as may be reasonably requested by Purchaser to transfer, convey and assign to Purchaser's possession and use, the Assets and the Purchased Business and to comply with all applicable legal requirements, including, without limitation, making any required governmental filings, in connection with the purchase of the Assets and the Purchased Business by Purchaser. Without limiting the foregoing, upon the request and at the expense of Purchaser, at any time during the period commencing on the Pre-Closing Date and ending on the third anniversary of the Pre-Closing Date, Seller shall take all steps necessary to assign all material licenses, permits, exemptions, consents, authorizations or approvals to Purchaser in cases where such assignment is permitted.

6.07 Exclusivity. Provided Purchaser is not in breach of this Agreement or the Ancillary Agreements, Seller shall not (i) solicit, initiate or encourage the submission of any proposal or offer from any person relating to the acquisition of any capital stock or other voting securities of any of their affiliates engaged in the Purchased Business, or any substantial portion of the Assets or the Purchased Business (including any acquisition structured as a merger, consolidation, or share exchange); or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do or seek any of the foregoing. Seller shall notify Purchaser immediately if any person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

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6.08 Funds Collected After Pre-Closing. Any cash, cash proceeds or other funds accrued prior to the Pre-Closing Date and received by Seller from and after the Pre-Closing Date shall remain the property of the Seller. Any cash, cash proceeds or other funds accrued after the Pre-Closing Date and received by Seller shall constitute Assets or proceeds of Assets (including, without limitation, funds deposited into bank accounts of Seller or Purchaser, as the case may be, after the Pre-Closing Date), and each party shall promptly remit to the other any amounts it receives which is the property of the other party, free and clear of all Encumbrances of any nature whatsoever and, pending such remittance, shall be held in trust for the benefit of the other party.

6.09 Regulatory Compliance. Seller and Purchaser shall use their reasonable best efforts to comply with the provisions of all laws, rules, regulations, ordinances, codes, orders and decrees where failure to do so would have a Material Adverse Effect on the Assets

ARTICLE VII **PURCHASER'S CONDITIONS PRECEDENT**

Except as may be waived in writing by Purchaser in Purchaser's sole discretion, the obligations of Purchaser hereunder are subject to the fulfillment at or prior to the Pre-Closing of each of the following conditions:

7.01 Representations and Warranties. The representations and warranties of Seller contained herein shall be true and correct in all material respects as of the Pre-Closing as though such representations and warranties were made on such date, subject to any changes contemplated by this Agreement.

7.02 Performance. Seller shall have performed and complied in all material respects with all covenants or conditions required by this Agreement to be performed and complied with by them on or prior to the Pre-Closing.

7.03 Deliveries. Seller shall have delivered each of the documents required pursuant to Section 2.05(a) in each case in form and substance satisfactory to Purchaser and its counsel.

7.04 Proceedings. No action, proceeding or order by any court or governmental body or agency shall have been threatened in writing, asserted, instituted or entered to restrain, enjoin or, otherwise prohibits the carrying out of the transactions contemplated by this Agreement.

7.05 Approvals, Permits, Etc. All consents, authorizations, approvals, exemptions, licenses or permits of, or registrations, qualifications, declarations or filings with, any governmental or regulatory body or agency thereof that are (i) required in connection with the consummation of the transactions contemplated hereby and (ii) are

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necessary for Purchaser to properly conduct the Purchased Business, except as set forth on Schedule 7.05 hereto, shall have been transferred by Seller or otherwise obtained, provided however, that in the event the Regulatory Consents have not all been received prior to the Pre-Closing Date, Purchaser shall be deemed to have waived such requirement without further action or written waiver.

ARTICLE VIII **SELLER'S CONDITIONS PRECEDENT**

Except as may be waived in writing by Seller in Seller's sole discretion, the obligations of Seller hereunder are subject to fulfillment at or prior to the Pre-Closing of each of the following conditions

8.01 Representations and Warranties. The representations and warranties of Purchaser contained herein shall be true and correct in all material respects as of the Pre-Closing as though such representations and warranties were made on such date, subject to any changes contemplated by this Agreement.

8.02 Performance. Purchaser shall have performed and complied in all material respects with all covenants or conditions required by this Agreement to be performed and complied with by it on or prior to the Pre-Closing

8.03 Deliveries. Purchaser shall have delivered each of the documents required pursuant to Section 2.05(b) in each case in form and substance satisfactory to Purchaser and its counsel.

8.04 Proceedings. No action, proceeding or order by any court or governmental body or agency shall have been threatened in writing, asserted, instituted or entered to restrain, enjoin or otherwise prohibits the carrying out of the transactions contemplated by this Agreement

ARTICLE IX **INDEMNIFICATION**

9.01 Seller's Indemnity. (a) Subject to the terms and conditions of this Article IX, Seller hereby agrees to indemnify, defend and hold Purchaser and its officers, directors, shareholders, employees, agents, attorneys, affiliates or successors in interest or transferees of any of the foregoing persons harmless from and against and to promptly pay all losses, claims, obligations, demands, assessments, penalties, liabilities, suits, fines, deficiencies, interest, costs, actual or punitive damages, reasonable attorneys' fees and expenses (whether contingent, fixed or unfixed, liquidated or unliquidated or otherwise) (collectively, "Damages"), asserted against or incurred by Purchaser by reason of or resulting from a misrepresentation, breach or nonfulfillment of, or any failure to perform by Seller of any representation, warranty or covenant contained herein or in any agreement executed pursuant hereto and any

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liabilities other than Assumed Liabilities

(b) Seller shall cause its affiliate, Advantage Wireless, Inc ("Advantage"), to execute a guarantee ("Guarantee") of Seller's indemnification obligations under this Article IX in favor of Purchaser up to a maximum of The Guarantee shall be in the form attached hereto and incorporated herein as Exhibit 9.01(b)

(c) Notwithstanding the foregoing, neither Seller nor Advantage shall have any obligation to indemnify the Purchaser from and against any liabilities, other than the Assumed Liabilities, in excess of the amounts set forth in Section 9.05 hereto

9.02 Purchaser's Indemnity. Subject to the terms and conditions of this Article IX, Purchaser hereby agrees to indemnify, defend and hold Seller and their officers, directors, shareholders, employees, agents, attorneys, affiliates or successors in interest or transferees of any of the foregoing persons harmless from and against and to promptly pay all Damages asserted against or incurred by reason of or resulting from

(a) a breach or misrepresentation, nonfulfillment of, or any failure to perform by Purchaser of any representation, warranty or covenant contained herein or in any agreement executed pursuant hereto; or

(b) the failure of Purchaser to pay, perform and discharge when due the deferred portion of the Purchase Price or any Assumed Liabilities.

9.03 Conditions of Indemnification. The respective obligations and liabilities of Seller and Purchaser (the "indemnifying party") to the other (the "party to be indemnified") under Sections 9.01 and 9.02 hereof with respect to claims resulting from the assertion of liability by third parties shall be subject to the following terms and conditions:

(a) Promptly after receipt of notice of commencement of any action evidenced by service of process or other legal pleading, or with reasonable promptness after the assertion in writing of any claim by a third party, the party to be indemnified shall give the indemnifying party written notice thereof together with a copy of such claim, process or other legal pleading. The indemnifying party shall have the right to join in the defense, settlement, adjustment or compromise thereof by representatives of its own choosing and at its own expense, provided, however, that the party to be indemnified may participate in the defense, settlement, adjustment or compromise with counsel of its own choice and at its own expense.

(b) In the event that the indemnifying party, by the 30th day after receipt of notice of any such claim (or, if earlier, by the 10th day preceding the day on which an answer or other pleading must be served in order to prevent judgment by default in favor of the person asserting such claim), does not elect to join in the defense, settlement, adjustment or compromise of such claim, the party to be indemnified will

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(upon further notice to the indemnifying party) have the right to undertake the defense, adjustment, compromise or settlement of such claim on behalf of and for the account and risk of the indemnifying party and at the indemnifying party's expense, subject to the right of the indemnifying party to participate in the defense of such claims at any time prior to settlement, adjustment, compromise or final determination thereof.

(c) Anything in this Section 9.03 to the contrary notwithstanding, the indemnifying party shall not settle any claim without the consent of the party to be indemnified unless such settlement involves only the payment of money and the claimant provides to the party to be indemnified an unconditional release from all liability in respect of such claim and does not include a statement as to admission of fault, culpability or a failure to act on behalf of a party to be indemnified. If the settlement of the claim involves more than the payment of money, the indemnifying party shall not settle the claim without the prior consent of the party to be indemnified, which consent shall not be unreasonably withheld.

(d) An indemnified party's failure to give timely notice or to furnish the indemnifying party or parties with any relevant data and documents in connection with any claim shall not constitute a defense (in part or in whole) to any claim for indemnification by such party, except any only to the extent that such failure shall result in any material prejudice to the indemnifying party or parties. If so desired by any indemnifying party or parties, such party or parties may, by giving the indemnified party or parties written notice in which the indemnifying party or parties acknowledge that such claim is properly subject to indemnification hereunder, elect, at such party's or parties' sole expense, to assume control of the defense, settlement, adjustment or compromise of any claim, provided that such indemnifying party shall obtain the consent of all indemnified parties before entering into any settlement, adjustment or compromise of such claim, or ceasing to defend against such claim, if as a result thereof, or pursuant thereto, there would be imposed on an indemnified party any liability or obligation not covered by the indemnification obligations of the indemnifying parties under this Agreement (including, without limitation, any injunctive relief or other remedy).

(e) In addition to any other rights that Purchaser may have hereunder, with respect to any claims asserted pursuant to this Section 9.03 and outstanding or unresolved on the date scheduled for any payment under the Note, Purchaser may upon giving written notice to Seller of the amount of such claims, withhold such amount from the scheduled payment. Any amounts so withheld shall be held by Purchaser for Seller's account and use to offset the amounts of such claims finally determined to be due to Purchaser either by Seller's acknowledgment of such claim, by a settlement agreement or by a final determination by a court of competent jurisdiction.

(f) The party to be indemnified and the indemnifying party will each cooperate with all reasonable requests of the other.

9.04 Survival. The rights of the parties to seek indemnification under this

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Article IX shall terminate on the following dates, except as to those claims with respect to which notice shall have been duly given prior to the relevant termination date:

(a) in the case of claims for indemnification relating to Taxes and other governmental assessments and charges of any nature whatsoever (including, without limitation, all claims brought under subsection 9 01 or for breach of the representations and warranties set forth in Section 3 08 or for breach or nonfulfillment of the covenants set forth in Section 6 11), the date of expiration of the relevant statute of limitations, including any extensions thereof,

(b) in the case of claims for indemnification arising from the failure or alleged failure on the part of Seller or Purchaser to comply with the requirements of any bulk sales, fraudulent conveyance or other law for the protection of creditors, the date of expiration of the relevant statute of limitations, including any extensions thereof; and

(c) in the case of all other claims for indemnification arising under this Agreement, on the first anniversary of the date hereof

9.05 Threshold. The parties shall not have any liability pursuant to this Article IX, or any other provision of this Agreement, unless and until the aggregate amount of Damages accrued pursuant to Section 9.01 or 9 02 or otherwise pursuant to this Agreement is greater than or equal to (the "Liability Threshold"); provided, however, that once the aggregate amount of Damages against a party shall equal or exceed the Liability Threshold, such party shall thereafter be liable on a dollar-for-dollar basis for the full amount of all Damages initially excluded under the Liability Threshold, except that Seller's total liability shall be subject to the balance of the Purchase Price held by the Escrow Agent as set forth in Section 2.02(d) hereof plus the Guarantee amount as set forth in Section 9 01(b)

9.06 Remedies Not Exclusive. The remedies provided in this Article IX shall not be exclusive of any other rights or remedies available by one party against the other, either at law or in equity, except as otherwise set forth in Section 9 05 hereof.

ARTICLE X **MISCELLANEOUS**

10.01 Amendment. This Agreement may be amended, modified or supplemented only by an instrument in writing executed by the party against which enforcement of the amendment, modification or supplement is sought

10.02 Assignment. Neither this Agreement nor any right created hereby shall be assignable by either party hereto

10.03 Notice. Any notice or communication must be in writing and given by depositing the same in the United States mail, addressed to the party to be notified,

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postage prepaid and registered or certified with return receipt requested, or by delivering the same in person, by telecopier or by expedited courier. Such notice shall be deemed received on the date on which it is hand-delivered or telecopied (with confirmation of receipt thereof by the addressee), on the next business day by expedited courier, or on the third business day following the date on which it is so mailed. For purposes of notice, the addresses of the parties shall be:

If to Seller:	Motion Telecom, Inc. 7101 S. Fulton St. Suite 200 Englewood, CO 80112 Attn. Mark Gritz
with a copy to	Vonderheid & Associates, P C. 8101 E. Dartmouth Ave. #95 Denver, CO 80231 Attn: Barbara H. Vonderheid
If to Purchaser:	Network US, Inc 180 N LaSalle Street Suite 1820 Chicago, Illinois, 60601 Attn: Bernard A Goldman
with a copy to.	Nowalsky, Bronston & Gothard, A.P L L.C 3500 North Causeway Blvd. Suite 1442 Metairie, LA 70002 Attn: Benjamin W Bronston

Any party may change its address for notice by written notice given to the other parties.

10.04 Mutual Confidentiality. The parties shall keep this Agreement and its terms confidential, but any party may make such disclosures after the Pre-Closing as it reasonably considers are required by law, but each party will notify the other parties in advance of any such disclosure. In the event that the transactions contemplated by this Agreement are not consummated for any reason whatsoever, the parties hereto agree not to disclose or use any confidential information they may have concerning the affairs of the other parties, except for information which is required by law to be disclosed. For purposes of this Section 10.04, confidential information includes, but is not limited to: customer lists and files, prices and costs, business and financial records, surveys, reports, plans, proposals, financial information, information relating to personnel contracts, stock ownership, liabilities and litigation. Should the transactions contemplated hereby not be consummated, nothing contained in this Section shall be construed to prohibit the parties hereto from operating a business in competition with

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each other. Purchaser and Seller shall consult with each other in releasing information concerning this Agreement and the transactions contemplated hereby. Each of the parties to this Agreement shall furnish to the other drafts of all releases prior to publication.

10.05 Entire Agreement. This Agreement and the exhibits hereto supersede all prior agreements and understandings relating to the subject matter hereof, except that the obligations of any party under any agreement executed pursuant to this Agreement shall not be affected by this Section.

10.06 Costs, Expenses and Legal Fees. Whether or not the transactions contemplated hereby are consummated, each party hereto shall bear its own costs and expenses (including attorneys' fees), except that each party hereto agrees to pay the costs and expenses, including reasonable attorneys' fees, incurred by the other parties in successfully (a) enforcing any of the terms of this Agreement, or (b) proving that the other parties breached any of the terms of this Agreement in any material respect.

10.07 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

10.08 Survival of Representations, Warranties and Covenants. The representations, warranties and covenants contained herein shall survive the Pre-Closing for one (1) year and all statements contained in any certificate, exhibit or other instrument delivered by or on behalf of Seller or Purchaser pursuant to this Agreement shall be deemed to have been representations and warranties by Seller or Purchaser, as the case may be, and shall survive the Pre-Closing and any investigation made by any party hereto or on its behalf for one (1) year.

10.09 Captions. The captions in this Agreement are for convenience of reference only and shall not limit or otherwise affect any of the terms or provisions hereof.

10.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

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10.11 Bulk Transfer Laws. The Purchaser acknowledges that the Seller will not comply with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement.

10.12 Number and Gender. Whenever the context requires, references in this Agreement to the singular number shall include the plural, the plural number shall include the singular and words denoting gender shall include the masculine, feminine and neuter

10.13 Governing Law. The Parties hereby agree that this Agreement shall be governed and construed in accordance with the laws of the State of Colorado, without giving effect to principles of conflicts of law thereunder.

**ARTICLE XI
TERMINATION**

11.01 Termination of Agreement. Certain of the parties may terminate this Agreement as provided below

- (a) Purchaser and Seller may terminate this Agreement by mutual written consent at any time prior to the Pre-Closing;
- (b) Purchaser may terminate this Agreement by giving written notice to Seller on or before the later of (i) the date upon which Seller delivers all of the schedules to Purchaser and (ii) July 28, 2004, if Purchaser in its reasonable discretion is not satisfied with the results of its continuing business, legal, and accounting due diligence regarding the Purchased Business;
- (c) Purchaser may terminate this Agreement by giving written notice to Seller at any time prior to the Pre-Closing (i) in the event Seller have breached any representation, warranty, or covenant contained in this Agreement in any material respect, Purchaser has notified Seller of the breach, and the breach has continued without cure for a period of fifteen (15) days after the breach or (ii) if the Pre-Closing shall not have occurred on or before July 30, 2004, by reason of the failure of any condition precedent under Article VII hereof (unless the failure results primarily from Purchaser itself breaching any representation, warranty, or covenant contained in this Agreement); and
- (d) Seller may terminate this Agreement by giving written notice to Purchaser at any time prior to the Pre-Closing (i) in the event that Purchaser has breached any material representation, warranty or covenant contained in this Agreement in any material respect, Seller have notified Purchaser of the breach and the breach has continued without cure for a period of fifteen (15) days after the notice of breach or (ii) if the Pre-Closing shall not have occurred on or before July 30, 2004, by reason of the failure of any condition precedent under Article

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VIII hereof (unless the failure results from Seller breaching any representation, warranty or covenant contained in this Agreement.

11.02 Effect of Termination. If any party terminates this Agreement pursuant to Section 11.01 above, all rights and obligations of the parties hereunder shall terminate without any liability of any party to any other party, except for any liability for breach of contract of any party then in breach.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Agreement as of the date first written above.

MOTION TELECOM, INC.

By: _____
Name: Mark Gritz
Its: President

NETWORK US, INC. d/b/a CA AFFINITY

By _____
Name: Bernard A Goldman
Its: Executive Vice President/
Assistant Secretary

EXHIBIT B

CUSTOMER NOTICE

Network US, Inc d/b/a CA Affinity

Motion Telecom, Inc.

(Customer Name)
(Address)

Dear Customer:

Network US, Inc. d/b/a CA Affinity ("NUS") and Motion Telecom, Inc. ("Motion") have entered into an agreement whereby the telecommunications assets of Motion will be acquired by NUS, and NUS will become your telecommunication service provider. NUS anticipates becoming your telecommunications provider on _____ or shortly thereafter.

This change in ownership will not affect or in any way disrupt your current service. **The rates and terms and conditions of the services offered by NUS will be the same as those offered by Motion.** A copy of NUS's terms and conditions for long distance services is attached hereto along with your billed rate plan. No charges or fees will be imposed and no rate increase will occur as a result of this transaction. NUS will inform you, by bill insert, of any post-transaction changes which may occur.

You have a choice of carriers. If you do not wish to remain a customer, you may change carriers and such change will be at NUS's expense. NUS will make every effort to resolve outstanding Motion customer complaints. The toll free Customer Service number will remain the same and if you have any questions, please call one of our Customer Service Representatives at 1-800-[].

All customers receiving this notice, including those who have arranged preferred carrier freezes through their local service providers, will be transferred to NUS.

We at Network US, Inc. are pleased to welcome you to our team and would like to express our appreciation for allowing us the opportunity of being your telecommunication service provider. We are confident that you will be pleased with the high quality of our service.

EXHIBIT C
FINANCIALS

NETWORK US, INC
INCOME STATEMENT
FOR THE FOR THE MONTH AND TWELVE MONTHS ENDED DEC 31, 2003

	CURRENT PERIOD	YEAR TO DATE
Sales - Long Distance	185,113	2,752,851
Sales - Local Service	4,823	59,129
Sales - PC / Inet / Package	329	8,578
Sales - Other	0	3,147
Discounts	<u>(90)</u>	<u>(8,720)</u>
Net Sales	199,684	2,818,258
Cost of Sales - Long Distance	108,475	1,394,601
Cost of Sales - Local Service	3,888	42,333
Cost of Sales - PC / Inet / Package	<u>1,057</u>	<u>14,951</u>
Total Cost of Sales	111,230	1,451,485
Gross Profit	88,454	1,366,771
Operating Expenses		
Advertising & Promotion	150	2,638
Bad Debt	2,078	68,110
Billing Expenses	7,813	63,626
Commission	8,345	48,080
Employee Benefits	(1,228)	40,016
Postage & Delivery	100	55,947
Professional Services	18,850	156,316
Royalty	18,959	133,574
Salaries & Wages	43,358	418,765
Other Expenses	<u>14,982</u>	<u>238,513</u>
Total Operating Expenses	110,524	1,209,852
Net Operating Income (Loss)	(22,070)	156,879
Other Income (Expense)		
Amortization & Depreciation	(5,820)	(53,275)
Interest Expense	(5,945)	(88,817)
Other Income	<u>119</u>	<u>48,853</u>
Total Other Income (Expense)	(11,165)	(105,229)
Net Income (Loss)	<u>(23,225)</u>	<u>51,650</u>

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**NETWORK US, INC
BALANCE SHEET
AS OF DECEMBER 31, 2003**

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	588,088
Accounts Receivable	380,822
Related Party Receivable	1,032,578
Related Party Receivable - UBC	448,770
Investment - Customer List	0
Prepaid Expenses	21,780
Total Current Assets	1,581,704
PROPERTY AND EQUIPMENT	86,273
OTHER ASSETS	481,808
Intangible Assets	7,064
Deposits	488,872
Total Other Assets	488,872
TOTAL ASSETS	2,138,750

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Accounts Payable	54,681
Accrued Taxes Payable	535,687
Accrued Interest Payable	238,521
Accrued Expenses	758
Total Current Liabilities	830,648
LONG-TERM LIABILITIES	1,018,167
Notes Payable - Related Parties	1,018,167
Total Liabilities	1,848,713
STOCKHOLDERS' EQUITY	0
Common Stock, no par value	0
1,000 shares authorized, issued and outstanding	1,000
Additional Paid in Capital	320,000
Owner's Draw	658,387
Retained Earnings	51,650
Current Year Income	288,037
Total Stockholders' Equity	2,138,750
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,138,750

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EXHIBIT D

MANAGERIAL PROFILES

Brian E. Sledz

Mr Sledz has been an owner and operator of telecommunications companies for over ten (10) years. Mr Sledz was the Founder and President of Discount Network Services, Inc ("DNS"), a Chicago-based reseller of long distance service which was eventually sold to Network Long Distance, Inc in October, 1995. Mr Sledz was responsible for the overall management and operation of DNS, and concentrated his efforts primarily on managing all sales and marketing activities of the company.

Since 1995, Mr Sledz has been involved in a variety of telecommunications-related entrepreneurial endeavors, the latest of which is Network US, Inc d/b/a CA Affinity ("Network US"), which is a reseller of long distance telecommunications services. Mr Sledz is the President and Chief Executive Officer of Network US and is responsible for the overall management and strategic direction of the company.

Timothy J. Sledz

Mr Sledz has been an owner and operator of telecommunications companies for over ten (10) years. Mr Sledz was the Chief Operating Officer of Discount Network Services, Inc ("DNS"), a Chicago-based reseller of long distance service which was eventually sold to Network Long Distance, Inc in October, 1995. Mr Sledz was responsible for all back office functions, including billing, accounting and customer service. Mr Sledz continues to serve as a member of the Board of Directors of the publicly traded Network Long Distance, Inc.

Since 1995, Mr Sledz has been involved in a variety of telecommunications-related entrepreneurial endeavors, the latest of which is Network US, Inc d/b/a CA Affinity ("Network US"), which is a reseller of long distance telecommunications services. Mr Sledz is the Secretary and Treasurer of Network US and is responsible for all back office functions, including provisioning, billing, accounting and customer service.